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### REMARKS

The Applicant conducted a telephone interview with the Examiner on May 26, 2006. The Examiner made several comments regarding formalities of the method claims. These issues have been addressed. The Examiner also indicated that it would be necessary to review the application to ensure that the claim amendments were supported by the application.

The Applicant has amended Independent claims 1, 23, 30 and 36. The element of each amendment are supported by the specification and drawings of the original application. To facilitate the Examiner's review, the following analysis is offered.

The Applicant has amended claim 1 to require accessing an Internet portal comprising a portal operator and a database of prepaid accounts and further containing a link to at least one merchant website, accessing the merchant website through the Internet portal.

The second paragraph of the Detailed Description of the Invention states:

"The prospective purchaser can access the Internet by conventional means or through a stand alone device also claimed as part of the present invention. Through the Internet, the prospective purchaser (hereinafter "purchaser") accesses the Virtual Cashier web portal ("Internet Portal" subject of the invention. The Internet portal can include an Internet website containing categorized links to participating merchant websites accepting payment by V-C cards or similar prepaid cards as forms of electronic payment so that a purchaser can readily locate merchants accepting this type of payment."

Further, Figure 1A illustrates the purchaser going through the Web portal 106 to reach "shopping" 107. Figure 1B illustrates the "consumer interface" 123 going through the web portal 106 to reach the "merchant

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Interface" 124 and also the Virtual Cashier Internal Processing" 121. Process steps outlined in Figures 2A and 2B also start with the "web portal" 106.

On page 3 of the Preliminary Amendment, the original disclosure states:

"The Virtual Cashier Internal Processing 121 is a function performed by the Internet portal operator. This includes the accounting of various prepaid accounts, matching the accounts with PIN numbers or prepaid card numbers ("prepaid card identifiers") as part of V-C Card validation, processing payments to merchants from separate prepaid accounts, computing and withholding transaction fees, etc."

Claim 1 has been further amended to read "Inputting a selection of the merchandise or services for purchase and a prepaid card identifier wherein the card identifier comprises an account number to a prepaid account and the card identifier does not identify the purchaser or financial or banking information of the purchaser."

The Summary of the Invention states

"More specifically, it (the invention) pertains to a systematic and comprehensive method of dispensing cards or other tangible medium that represents a prepaid monetary accounts that may be accessed only through the use of the card (hereinafter "prepaid card", "Virtual Cashier card" or "V-C card"). *The account can not be accessed except by conveying the card or card identifier specific to that account. This prepaid card system can also allow a merchant or service provider to directly verify with the (entity) holding the or possessing access to the money with the account represented by the V-C card that payment for any good or service will be made.*"

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*"It is yet another goal of the present invention to allow persons to make purchases through the Internet that are unwilling to disclose credit card or other personal financial account information on the Internet."*

*"It is yet another goal of the invention to provide an apparatus that will allow purchasers to shop or make other payment thorough the Internet utilizing public internet terminals without disclosing, by "swiping" or otherwise, information contained on credit cards, debit cards or other financial or personal identifying information."*

Page 5 of the Preliminary Amendment states:

*"In the example illustrated in Figure 2A the consumer begins by accessing the web portal 106 and selecting "shopping option 202. The consumer identifies goods/services/merchants from link in the directory 203. The consumer links to the desired Merchant site 204 and the consumer selects an item or service to purchase 205. The virtual cashier payment option is offered 206 with a link to the virtual cashier payment processing area 207. The consumer is prompted to enter a card number 208. A profile option-purchase security challenge may be prompted 209 and a database queried and information verified 210. A query of whether there (is) sufficient balance for purchase 211. If yes, the purchase is authorized 212. If no, the authorization is declined 222 and the user is prompted to increase the balance."*

*"Figures 2A and Figures 2B illustrated embodiment of the information process steps included in the instant invention. Note that the purchaser begins by accessing the Internet, either via a*

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personal computer as in Figure 2A or a stand alone Virtual Cashier Interface Device 106 in Figure 2B and use to access the *Virtual Cashier Web Portal Access 106* ("Internet portal" or "Web Portal"). Alternative steps or embodiments of the process may include the following:

1. Purchaser accesses the Internet via computer or Virtual Cashier Interface Device;
2. *Purchaser logs on to the Internet page or website of the Virtual Cashier Web Page (Web Portal),*
3. Consumer selects activities from menu;  
(Option: If Consumer selects icon or menu button for goods and services, the Consumer can elect to proceed to a specific merchant site 204 or selected Virtual Cashier page containing identified group of goods or services.)
4. Quantity and availability of identified goods are confirmed (at either the Virtual Cashier Web portal or via specific merchant website) 205
5. Price is confirmed.
6. Consumer selects method of payment.
7. *Virtual Cashier Web Portal, either directly with Consumer or through a separate link with the merchant's web site, verifies receipt of payment and credits merchant account."*

...

The Applicant's amended claims do not contain new matter.

The Examiner has rejected claims 1, 2 and 30, asserting that Davis et al teaches a method of purchasing goods and services through the internet comprising accessing an Internet website containing a listing of merchandise and services that can be purchase by communication through the internet [as illustrated in fig. 4 (i.e. block 202, and block 208)]; inputting the selection of

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the merchandise and services for purchase and purchase and prepaid card identifier (see fig 5, stored-value card) [as illustrated in fig. 10 (i.e. block 508), col. 11, lines 4-10, via step 506 and step 508 (i.e. stored value card)]; transmitting the selection and prepaid card identifier [col 5, lines 28-35, col. 7, lines 47-50, and col. 17, lines 43-50]; obtaining verification that a monetary account represented by the prepaid card contains a monetary balance at least equal to the value of the merchandise or services selected [col. 22, lines 45-47, and col 12, lines 36-42]; and obtaining the purchased merchandise and services [col. 10, lines 46 and 47].

The Applicant has amended claim 1 by addition of the following underlined text.

1. (Currently amended) A method of purchasing goods and services through the Internet comprising:
  - a. accessing an Internet website portal comprising a portal operator and a database of prepaid accounts and further containing a link to at least one merchant website listing of merchandise and or services that can be purchased by communication through an Internet
  - b. a merchant website through the Internet portal.
  - c. inputting the a selection of the merchandise and or services for purchase and a prepaid card identifier wherein the card identifier comprises an account number to a prepaid account and the card identifier does not identify the purchaser or financial or banking information of the purchaser.
  - f. transmitting the selection and prepaid card identifier,
  - g. the portal operator matching the prepaid card identifier with a prepaid account.
  - h. obtaining verification that a monetary the portal operator verifying that the prepaid account represented by the prepaid card contains

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a monetary balance at least equal to the value of the merchandise or services selected, and

- i. the portal operator transferring the monetary value of the selected merchandise or services from the prepaid account to a merchant.
- ~~and~~
- j. ~~obtaining the purchased merchandise or service.~~

The Applicant has also amended Independent claim 30 as restated below.

30. (Currently amended) A method of purchasing goods and services comprising:

- a. accessing an Internet website that is a web portal comprising a portal operator linked to a merchant website;
- b. communicating through an Internet a selection of goods or services for purchase from the merchant website;
- c. communicating a prepaid card identifier ~~payment for selected goods or services to the web portal;~~ and
- d. the portal operator matching the prepaid card identifier to a prepaid account within a database of prepaid accounts ~~the web portal communicating the receipt of payment to the merchant website.~~

The Applicant respectfully disagrees with the Examiner's rejection based on Davis et al.

First, Davis et al. does not teach accessing a web portal. Figure 4 of Davis et al teaches the user going directly from a "client terminal" 204 through the Internet 202 to a "merchant server" 208. The Applicant disagrees that the path 234 of Figure 4 constitutes a "web portal linked to a merchant website". The Internet described by Davis et al does not disclose portal comprising a portal operator and a database of prepaid accounts. Davis et al. states at col 10, line 67 that "(i)n step 504, the user accesses the merchant server web site

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via communication link 234 over the Internet. This access of a web site may be performed in any suitable fashion such as by using any commercially available web browser."

In the Applicant's invention, the user must access the merchant site through a portal that contains a database of the prepaid card account balance and with the ability that a card identifier be matched with an account. This is a step not contained within the Davis et al patent.

Applicant's claims 1 and 30 teach assessing a web portal having a portal operator that matches card identifiers with prepaid accounts and (for claim 1) transfers funds from the prepaid accounts to the merchant account.

Second, Davis et al teaches use of "stored value cards" i.e., smart cards, wherein the account is contained within an integrated circuit. Davis et al, at col. 5, line 22 states "the present invention is suitable for use with any type of stored value card that is able to store an amount and to load a value upon a command.

As described in Figures 4 and 5 of Davis et al., the stored value card is itself debited, not an account represented by the card. The account is carried on the card. The accounting functions are performed by the computer chip contained on the card.

*In contrast, the Applicant's invention teaches use of cards that are identifiers of a prepaid account controlled by the portal operator. The account balance of the Applicant's invention is maintained as part of a database accessed via the web portal. Reference Figure 2A. The database is accessed by inputting the card identifier.*

Third, the Examiner has rejected Applicant's claim 36 stating Davis et al discloses an internet portal operator matching prepaid account to card identifiers [col. 21, line 54-56]; debiting prepaid accounts [via step 514, col. 10, lines 64-67, and col. 11 lines 20-22]; and crediting merchant account [col. 10, lines 64-67].

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The Applicant respectfully disagrees with the Examiner's assertions. Davis et al. expressly limits the "authentication component" via the internet to "pseudo stored value applications" See Col 21, lines 30 through 56. Specially, Davis et al teaches accessing a web server in order to redeem frequent flyer miles, award points, etc. "By accessing a Web server associated with the particular program, the consumer is able to use his or her card in any of the embodiments described herein to authenticate the card and to receive these benefits from the program." The Applicant respectfully rejects the notion that use of the subject stored value card to redeem frequent flyer miles or the like is akin to a portal operator matching prepaid accounts and crediting a merchant account. Simply stated, Davis et al. does not teach the step of a card identifier being transmitted to a web portal wherein a portal operator matches the card identifier with a prepaid account, verifies the account balance is adequate for the *purchase of goods or services from the merchant*, and transfers the funds from the prepaid account to the merchant.

Further, the stored value card of Davis et al "is any card or similar device that is able to store a value that is decremented when the card is used." See Col 7, lines 27 through 30.

"A stored value card typically includes information such as a *bank identifier number*, a sequence number, a purchase key, a load key, and update key, an expiration date, a transaction counter, a session key, etc., in addition to a running balance. Col. 7, lines 48 through 52. (emphasis added.)

In a consumer transaction utilizing the stored value card of Davis et al it is essential to note that the transaction requires the card balance to be checked to ensure the *value on the card* is great enough to cover the transaction. See Col. 12, lines 38 through 40. (emphasis added)

Again, Davis et al does not teach the step of accessing a merchant site through a web portal containing a database of prepaid accounts represented by account identifiers independent of user identity or bank information and wherein the merchant is able to achieve confirmation that the prepaid account



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controlled through the web portal by the account identifier will be debited in payment of purchased goods or services.

Reference is also made to Davis et al and a later draw request to a payment server in conjunction with separate security cards. Col. 12, lines 28 and 29. This is not the Applicant's invention.

It is the Applicant's position that claims 1, 30 and 36 are allowable. Dependent claims 2 and 3 are also allowable, along with new dependent claim 46.

In regard to Applicant's claim 24, the Examiner has rejected the claim based upon the assertion that Davis et al discloses the payment mechanism is a prepaid card [as illustrated in fig. 2 (i.e. block 5 stored value card)]. However, the text of Davis et al explains that the stored value card illustrated in fig 2, block 5, contains an embedded microcontroller that includes a microprocessor 12, random access memory (RAM) 14, read only memory (ROM) 16, non-volatile memory 18, and encryption module 22, and a card reader interface 24. (See also fig 1 as the example of a stored value card.) Davis et al further states the "smart card" may be programmed with various types of functionality programs, etc. "For the purpose of this disclosure, card 5 is programmed at least with a stored-value application, and will be referred to as "stored-value" card 5. See column 1, lines 29 through 40.

The card disclosed in Figure 2, block 5 is clearly not the card utilized in the Applicant's invention. The Applicant has amended its claims to read as follows:

23. (Currently amended) A method of purchasing goods and or services comprising:
- a. accessing an Internet website through an Internet terminal wherein the Internet website is linked to a database of prepaid accounts;

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- b. communicating through an Internet a selection of goods or services for purchase from a merchant;
  - c. receiving a purchase price;
  - d. inserting a ~~payment mechanism~~ prepaid card into a component of the Internet terminal wherein a prepaid card identifier is inputted;  
and
  - e. communicating the purchase price and prepaid card identifier to the Internet website ~~payment through the Internet. ; and~~
  - f. matching the prepaid card identifier to a prepaid account balance of the database.
- 24 (Currently amended) The method of claim 23 wherein the payment mechanism is ~~a prepaid card or currency~~ prepaid card identifier is contained on a magnetic strip on the prepaid card.
25. (Currently amended) The method of claim 23 wherein the payment mechanism is ~~a credit or debt card.~~ prepaid card identifier consists essentially of a prepaid account number.
26. (Previously presented) The method of claim 23 further comprising an Internet website that is a web portal linked to a merchant website.
27. (Currently amended) The method of claim 23 26 further wherein the web portal communicates payment to the merchant website.

The invention of claim 23 states that the web site contains a database of prepaid accounts. The Applicant's invention is verifying payment will be made utilizing the database located at the website. The invention is not verifying payment by accessing an account stored upon a memory component of the "stored value card" described in Davis et al.

The card described in Applicant's amended claim 24 contains a magnetic strip, not the microprocessor of Davis et al.

The card described in Applicant's claim 25 *consists essentially of* a prepaid account number. It is clearly not the "stored value card" containing

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"an embedded microcontroller that includes a microprocessor 12, random access memory (RAM) 14, read only memory (ROM) 16, non-volatile memory 18, and encryption module 22, and a card reader interface 24" and "programmed with various types of functionality programs, etc."

Claims 26 and 27 of the Applicant's invention are not taught by Davis et al for reasons including that the "stored value card" of Davis stores the value within the microprocessor and debits itself when a purchase is made. The stored value card does not depend upon a separate database containing an account balance. Monetary value is stored on the card. See col. 7, line 26. "The user's stored value card is debited by the total sale amount and the user receives a 'debited' message at the user's terminal" See Col 11, lines 20 through 22.

The Applicant's invention contains the additional step of communicating the card identifier to the web portal. The web portal contains the database of the account balance. The web portal operator verifies the account balance is adequate for the purchase. The database is debited in the amount of the purchase and the merchant's account is credited.

In regard to new claims

41. (New) A method of electronic payment wherein the purchaser's identity or financial or banking information is not disclosed comprising:
- a. accessing a first Internet website wherein the first website is a web portal comprising a database of prepaid accounts and linked to a merchant website;
  - b. accessing the merchant website through the first website;
  - c. selecting goods or services for purchase from the merchant website; and
  - d. inputting a prepaid card identifier wherein the card identifier identifies a prepaid account within a database and wherein the prepaid account is to be debited as payment to the merchant.
42. (New) The method of claim 41 wherein the prepaid card identifier *consists*

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*essentially* of an account number.

43. (New) The method of claim 41 wherein the prepaid card identifier *consists essentially* of an account number and a PIN.

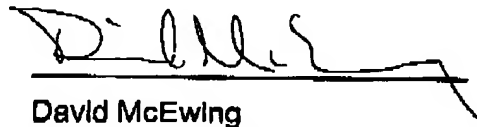
Claims 44 through 48 are also allowable over Davis et al. For example, claims 47 and 48 state that the prepaid card identifier consists of a portal identity, an account number or a portal identity, account number and PIN respectively thereby assuring the user's anonymity.

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### SUMMARY

The Applicant has amended the independent claims consistent with the specification. The Applicant has also added 5 new dependant claims. The Applicant has provided analysis of the prior art cited by the Examiner that demonstrates that the prior art does not anticipate the Applicant's invention. The Applicant believes the claims are in order for allowance and such action is respectfully requested. Upon allowance of the generic claims, examination of the withdrawn species claims is also requested.

Respectfully Submitted,

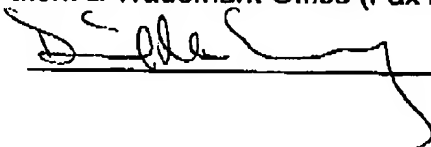


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